

Bidding Procedures Hearing Date And Time: December 20, 2007 at 10:00 a.m.  
Bidding Procedures Objection Deadline: December 17, 2007 at 4:00 p.m.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

----- x  
In re : Chapter 11  
:   
DELPHI CORPORATION, et al., : Case No. 05-44481 (RDD)  
:   
Debtors. : (Jointly Administered)  
:   
----- x

DECLARATION OF DAN KRASNER IN SUPPORT OF DEBTORS'  
REPLY TO LIMITED RESPONSE OF STEERING HOLDING, LLC TO  
EXPEDITED MOTION FOR ORDERS UNDER 11 U.S.C. §§ 363, 365,  
AND 1146 AND FED. R. BANKR. P. 2002, 6004, 6006, AND 9014 (A)(I)  
APPROVING BIDDING PROCEDURES, (II) GRANTING CERTAIN  
BID PROTECTIONS, (III) APPROVING FORM AND MANNER OF  
SALE NOTICES, AND (IV) SETTING SALE HEARING DATE, (B)  
AUTHORIZING AND APPROVING (I) SALE OF CERTAIN OF  
DEBTORS' ASSETS COMPRISING SUBSTANTIALLY ALL ASSETS  
PRIMARILY USED IN DEBTORS' STEERING AND HALFSHAFT  
BUSINESS FREE AND CLEAR OF LIENS, CLAIMS, AND  
ENCUMBRANCES, (II) ASSUMPTION AND ASSIGNMENT OF  
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES,  
AND (III) ASSUMPTION OF CERTAIN LIABILITIES, AND (C)  
AUTHORIZING AND APPROVING TRANSACTION FACILITATION  
AGREEMENT

I, Dan Krasner, hereby declare that the following is true to the best of my  
knowledge:

1. I am a Senior Vice President of Platinum Equity, LLC ("Platinum"). I  
submit this declaration (the "Declaration") in support of the Debtors' Reply to the  
Limited Response of Steering Holding, LLC to the above-captioned motion for approval  
of the Bidding Procedures with respect to the sale of the Steering Business.<sup>1</sup> Except as  
otherwise indicated, all facts set forth herein are based on my personal knowledge. I am

---

<sup>1</sup> Capitalized terms used but not defined herein shall have the meaning set forth in  
the Motion or the Reply.

authorized to submit this Declaration on behalf of Platinum and, if called upon to testify, I could and would testify competently to the facts set forth herein.

2. Platinum's affiliated investment fund is the parent company of Steering Solutions Corporation, the proposed buyer and stalking horse bidder for the Steering Business (the "Buyer"). Since submitting its expression of interest for the Steering Business in August 2006, Platinum has not only committed a tremendous amount of time, resources, and expense into acquiring the Steering Business, but has also added value to the overall transaction and the Debtors' estates by (i) engaging in intensive negotiations with Delphi and GM, which has led to both GM and the UAW supporting Buyer as the stalking horse bidder for the Steering Business; (ii) working out a cohesive plan to carve out and establish the Steering Business as a successful stand-alone enterprise capable of being sold by utilizing its own third party consultants and advisors in conjunction with Delphi's employees, thereby minimizing the amount of time and capital that Delphi needed to deploy; (iii) personally visiting with almost all of the Steering Business' customers, whether in the United States or abroad, to educate them about Buyer and articulating a consistent strategy and generally easing concerns regarding the future of the Steering Business; (iv) becoming intimately familiar with the Steering Business through over a year of diligence efforts; and (v) through the above efforts, co-creating with Delphi management the Steering Business's go forward business plan with respect to footprint plans and operating strategy. In sum, Buyer has demonstrated its commitment at every level to purchasing the Steering Business to support the Debtors' reasonable exercise of their business judgment in selecting Buyer as the stalking horse bidder.

**The Master Sale and Purchase Agreement Reflects A Four-Way Business Deal  
Between Sellers, Buyers, GM and the UAW**

3. In January 2007, Platinum was selected by Delphi as the stalking-horse-bidder-elect and encouraged to negotiate directly with GM and the UAW the level of support that each would provide to the Steering Business. That level of support directly affects the transaction value that Buyer has provided to the estates in the form of the Assumed Liabilities under the Master Sale and Purchase Agreement (the "Agreement"). Since that time, Platinum has engaged in extensive negotiations with not only the Selling Debtors through Delphi, but also with GM and the UAW in order to enter into and receive approval for the Agreement and support for Buyer as the acquirer of the Steering Business.

4. Because a substantial portion of the Steering Business employees are covered by union agreements and because the UAW has the right to consent to the sale of the Steering Business, Platinum has also actively engaged with the UAW. Platinum has had at least 10 in-person meetings with UAW key executives (including Ron Gettlefinger, President of the UAW, and Cal Rapson, Vice President of the UAW) to address the UAW's concerns that a future buyer be committed to jobs and to operate the Saginaw, Michigan plant, which Buyer has committed to do for an extended period of time. During the process of negotiations with the UAW, Platinum, through its executives and retained labor consultants, has devoted significant time familiarizing the UAW with Buyer's operations and strengths as a buyer, all of which ultimately led to the UAW consenting to Buyer as the stalking horse bidder of the Steering Business. Furthermore, Platinum was key to facilitating an agreement that provided the solution for the Debtors' Athens plant, which adds approximately \$20 million of EBITDA benefit to the Steering Business, thereby increasing the transaction value that Buyer can provide to the Selling

Debtors' estates. In order to accomplish this result, Buyer has agreed to assume the Selling Debtors' shut-down liabilities of the Athens plant in the Agreement, which Buyer was only able to assume because of its agreement and support from GM on the labor backstop.

5. As the Steering Business's primary customer, GM is a key component to the successful sale of the Steering Business and indeed has consent rights over any successful bidder at auction. Platinum has engaged in negotiations spanning almost an entire year with GM. As a result of the negotiations with GM, GM has agreed to provide certain automotive program commitments and labor support post-closing through an executed supply agreement with Buyer. Specifically, Platinum has negotiated for an extended labor backstop to Buyer through September 2015, which has enabled Buyer to agree to assume significant labor costs of the Steering Business under the Agreement. To achieve GM consent for the sale of the Steering Business to Buyer, Platinum devoted significant time and resources to resolving GM concerns and ultimately negotiating and signing a separate supply agreement with GM. As a result, Buyer is able to assume the Assumed Liabilities of the Selling Debtors' estates under the Agreement, thereby providing a direct benefit to the Selling Debtors' estates, creditors, and stakeholders.

**The Master Sale and Purchase Agreement Reflects Over a Year's Worth of Negotiation in Creating a Stand-Alone Business Capable of Being Sold**

6. The Steering Business is run as a division of Delphi and is not neatly contained across legal or readily identifiable units. Over the course of the past year, Platinum has expended considerable effort working with Delphi to create a Separation Plan and Transition Services Agreement that will enable the Steering Business to be successfully spun off from Delphi and operate as a stand-alone business that will be

viable going forward. Among other things, this has entailed identifying what corporate functions Steering depends on from Delphi and how to create a smooth transition after the closing along every imaginable segment of the Steering Business. A successful transition of the Steering Business out from under the Delphi corporate umbrella is instrumental to ensuring the successful operation of the Steering Business and minimizing disruption risk for key customers such as GM. After a year's work on this effort, Platinum has an intimate understanding of what is required, the complexities that are involved, and has prepared accordingly.

7. For example, Platinum has spent substantial amounts of time and money on information technology consultants working with Delphi to understand the needs of the Steering Business with respect to services and information technology provided by Delphi, GM and numerous third parties. Platinum's IT consultants alone have spent over 500 hours, including over 400 hours working with Delphi personnel to develop an overall IT separation strategy plan, thereby eliminating the need for Delphi to retain separate IT consultants. These negotiation efforts ultimately resulted in the supporting agreements to the Agreement in the form of the IT Application Separation Plan, the IT Infrastructure Separation Plan, the Transition Services Agreement and related Schedules of Services, the IT-related asset and licensing schedules, the outsourcing service provider models from third-party IT providers to support the separated Steering Business, and the creation of the organizational model required to support the Steering Business as a stand-alone business.

8. Through this intensive process, Platinum has developed the in-depth knowledge necessary to understand the needs of the Steering Business as it moves

forward post closing. Platinum has similarly worked closely with Delphi personnel on all business areas, including operations, finance, legal, human resources, intellectual property, environmental, real estate, tax, to ensure that the Agreement reflects the resources that the Steering Business will need post-closing to operate successfully.

**Platinum has Become Intimately Familiar with the Steering Business Through Over a Year of Diligence Efforts**

9. Platinum has spent over a year becoming familiar with the Steering Business. Platinum organized its diligence efforts along various specialist areas including: operations, finance, legal, human resources, intellectual property, environmental, real estate, tax, and information technology. Each specialist team has conducted significant diligence in their functional areas, including on-site visits, customer visits, diligence sessions with management, access to the virtual dataroom files, and multiple diligence calls with Delphi personnel.

10. Specifically, Platinum has attended dozens of in-person management meetings with Delphi key executives in addition to countless telephone conversations with Delphi executives. Platinum, a Los-Angeles based company, flew its executives out to Saginaw or Troy, Michigan for each of these meetings and has had its management team and key employees on site at Saginaw almost continuously during the past year. Platinum also spent time and expended resources visiting the various Steering Business plants located world-wide. Platinum has also flown its executives abroad on several occasions to meet with all of the key customers of the Steering Business, including at least two trips to Europe to meet with five European customers and one trip to Asia to meet with two Japanese customers. As a result, Platinum believes that Buyer will have the support necessary from the key customers of the Steering Business post-closing and

has been able to ease the concerns of these key customers regarding the identify of the purchaser of the Steering Business.

11. In addition to the numerous in-person management meetings and presentations, on-site plant visits both in Saginaw and around the world, over 50 of Platinum's employees and agents have spent hundreds of hours reviewing thousands of pages of diligence materials posted in the virtual dataroom.

**Platinum has Expended a Tremendous Amount of Capital and Resources to Become the Stalking Horse Bidder**

12. Platinum has expended significant capital and time so that Buyer can become the stalking horse bidder. In addition to engaging a cadre of outside consultants and law firms, both foreign and domestic, Platinum has also dedicated a significant management team to focusing on the acquisition. Platinum has staffed at least 20 executives and employees on the Steering Sale acquisition for over a year, each of whom have dedicated a significant portion of their time to ensuring that all the complex issues in the Agreement could be resolved and that the Agreement could be signed by Delphi, approved by both GM and UAW, and presented to the Court for approval. In connection with all of the above, Platinum has incurred significant out-of-pocket airfare, lodging, and related travel expenses.

13. In order to facilitate the transaction, Platinum engaged two U.S. law firms, over a dozen foreign law firms to advise on the various foreign aspects of the transaction, and over four consultants to assist it in various specialized areas concerning the Steering Business. In all, the Agreement went through over two dozen turns.

14. I have dedicated at least 90% of my past year's work, including over 12 weeks at Saginaw or Troy, Michigan, to resolving the myriad issues necessary to sign the Agreement, which ultimately resulted in the Agreement attached to the Motion filed with the Court.

15. At no time during the last 15 months has Platinum or Buyer entered into any exclusive dealing arrangements with Delphi that would have prevented Delphi from working with or providing diligence to any other interested third parties. This business has been re-marketed by Delphi and its financial advisors, Rothschild Inc., at least twice, including as recently as August of 2007, when Delphi and Rothschild specifically solicited other parties to determine their interest in acquiring the Steering Business and invited those parties to conduct diligence on the business. Other parties have had ample opportunity to conduct diligence and seek to become the stalking horse bidder. Buyer, through Platinum, is the only bidder that has committed the time, capital, resources and expense through this entire process to negotiate through the numerous issues and complexities of this transaction and reach fully negotiated agreements with Delphi and GM to become the stalking horse bidder of the Steering Business.

16. Platinum has worked hard to obtain the support of all constituents in this transaction, including Delphi, the Steering Business management team, the UAW, and GM. Buyer, through Platinum, has completed all of its due diligence, conducted world-wide site tours, held world-wide and domestic meetings with customers, had discussions with third party service providers, has fully informed and negotiated transaction and supply agreements with Delphi and GM, and has a complete understanding of the Steering Business and what is required to make it a successful stand-alone business going



forward. The support Buyer has from all constituents, the value accruing to the Debtors' estates as a result of Platinum's negotiations with GM and the UAW, and the certainty Buyer provides resulting from all the effort and time Platinum has committed to this transaction makes Buyer the most appropriate stalking horse bidder of the Steering Business.

I declare under penalty of perjury under the laws of the United States of America  
that the foregoing is true and correct.

Executed on December 19, 2007

/s/ Dan Krasner  
Dan Krasner